SUBSTITUTE AMENDMENT OFFERED BY MR. BILBRAY
TO AMENDMENT OFFERED BY MR. WAXMAN
TO THE MEDICAID RECONCILIATION PROVISIONS

(Page & line nos. refer to Committee Print of 6/11/97,
MEDICAID.007)

Add at the end the following new section:

1 SEC. 3472. PROTECTING DSH PAYMENTS FOR THE CERTAIN

2   CHILDREN'S AND TEACHING HOSPITALS.

3   (a) ASSURING PRIORITY DSH PAYMENTS.—Section

4 1923 (42 U.S.C. 1396r-4) is amended—

5   (1) in subsection (a)—

6   (A) by redesignating paragraphs (3) and

7   (4) as paragraphs (4) and (5), and

8   (B) by inserting after paragraph (2) the

9   following new paragraph:

10   "(3) In order to be considered to have met such

11   requirement of section 1902(a)(13)(A) as of October

12   1, 1998, the State must submit to the Secretary by

13   not later than July 1, 1998, a State plan amend-

14   ment that assures that aggregate payment adjust-

15   ment levels for certain hospitals under this section

16   are consistent with the requirement of subsection

17   (h), effective for inpatient hospital services furnished

18   on of after October 1, 1998."; and

19   (2) by adding at the end the following:

20   "(h) ASSURING PRIORITY DSH PAYMENTS.—

THE PREVIOUS SENTENCE SHALL NOT APPLY TO A STATE WITH A STATE PLAN AS described IN Subsection (e)(1)(A)(i).

[DSH Targeting for Children's and Teaching Hospitals]

2

1   "(1) IN GENERAL.—The assurances under this

2   subsection are that the aggregate level of payment

3   adjustments under this section with respect to prior-

4   ity DSH hospitals for a fiscal year (beginning with

5   fiscal year 1999) is not less than the minimum level

6   specified in paragraph (3) for the fiscal year. The

7   Secretary shall establish guidelines under which a

8   State may hold harmless, for purposes of dispropor-

9   tionate share hospital payments, its childrens and

10   teaching hospitals based on fiscal year 1997 State

11   expenditures.

12   "(2) PRIORITY DSH HOSPITAL DEFINED.—For

13   purposes of this subsection, the term 'priority DSH

14   hospital' means a hospital that meets the require-

15   ments of subsection (d) to be a disproportionate

16   share hospital and that has a low-income utilization

17   rate (as defined in subsection (b)(3)) that exceeds

18   20 percent, that is not an institution for mental dis-

19   eases defined under section 1905(i), and that—

20   "(A) is a hospital that described in sub-

21   section (d)(2)(A)(i), or

22   "(B) operates four or more approved medi-

23   cal residency training programs.

24   "(3) MINIMUM PAYMENT LEVEL.—

1   "(A) FISCAL YEAR 1999.—Subject to sub-

2   paragraph (D), the minimum payment level for

3   a State for fiscal year 1999 under this para-

4   graph is equal to the aggregate amount of dis-

5   proportionate share payment adjustments made

6   pursuant to subsection (c) in fiscal year 1995

7   to priority DSH hospitals in the State.

8   "(B) SUBSEQUENT YEARS.—Subject to

9   subparagraph (D), the minimum payment level

10   for a State for a subsequent year under this

11   paragraph is equal to the aggregate amount of

12   disproportionate share payment adjustments

13   made pursuant to subsection (c) in the previous

14   fiscal year to priority DSH hospitals in the

15   State, increased by the medicaid growth rate

16   for the fiscal year involved (as determined

17   under subparagraph (C)).

18   "(C) MEDICAID GROWTH RATE.—For pur-

19   poses of this paragraph, the Medicaid growth

20   rate for a fiscal year for a State is the percent-

21   age by which the total amount of expenditures

22   under the State plan for medical assistance

23   under this title in a fiscal year exceeds such ex-

24   penditures in the previous fiscal year.

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[DSH Targeting for Children's and Teaching Hospitals]

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1   "(D) EXCEPTION.—In no case shall the

2   minimum payment level under this paragraph

3   for a State for a fiscal year exceed the DSH al-

4   lotment for the State for the fiscal year.